

The Crown Estate

Resource Accounts 2005-06

The Crown Estate

Resource Accounts

2005-06

(For the year ended 31 March 2006)

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Annual Report

1 Scope

1.1 Entities within the departmental accounting boundary

The Crown Estate is the department and there are no other entities within its boundary.

1.2 Bodies outside of the departmental boundary

There are no bodies outside the departmental accounting boundary for which The Crown Estate has responsibility.

1.3 The aim, objective and principal activities of The Crown Estate

The Crown Estate Act 1961 was enacted by Parliament in pursuance of the recommendations of the report of the Committee on Crown Lands which visualised the role of The Crown Estate Commissioners as analogous to that of trustees of a trust fund. The Act charged the Commissioners with the management of The Crown Estate.

The duties of the Commissioners are to maintain The Crown Estate as an estate in land and to maintain and enhance its value and the return obtained from it, but with due regard to the requirements of good management. By the Civil List Act 1952 the net income from The Crown Estate, after defraying costs of collection and management, is required to be paid into the Exchequer and made part of the Consolidated Fund (general government revenues).

The Commissioners have authority to do on behalf of the Crown in relation to The Crown Estate all such acts as belong to The Crown's right of ownership, subject only to the detailed restrictions set out in the Act. The Commissioners must comply with such directions, as to the discharge of their functions under the Act, as may be given to them by the Chancellor of the Exchequer and the Secretary of State for Scotland. The Commissioners submit annually to the Treasury a forecast of their activities in a Corporate Plan covering the following and two ensuing years.

Under The Crown Estate Act 1961 (Schedule 1, paragraph 5) monies are provided by Parliament (Resource Finance) towards the cost of the Commissioners' salaries and the expense of their Office.

1.4 Important events which have occurred since the financial year end

There have been no significant events since the year end.

2 Review of Activities and Corporate Governance

The Crown Estate's aim is to continue to enhance the value of the estate and return obtained from it, in accordance with The Crown Estate Act 1961.

During the year ended 31 March 2006, the capital value of the property portfolio increased by £873 million to £5,685 million, with capital released of £139.7 million. The revenue surplus increased by 3.2 per cent to £190.8 million.

A full review of the activities of The Crown Estate is given in the preface by the First Crown Estate Commissioner (the Chairman), the operational and financial review by the Second Crown Estate Commissioner (the Chief Executive) and the governance report in The Crown Estate Annual Report and Financial Statements.

3 Operating and Financial Review

These accounts relate only to the Resource Account activities. In 2005-06 expenditure in respect of the salaries of The Crown Estate Commissioners and the expense of their office increased from that of 2004-05.

4 Management

The Accounting Officer for the Crown Estate is Roger Bright: Second Commissioner, Chief Executive and Deputy Chairman of the Board. He is appointed on a renewable four year contract with a notice period of six months. His current contract expires in September 2009. The Main Board's remuneration is accounted for in the White Paper Account. The composition of the Board was as follows:

Mr Ian Grant, CBE, FRAgS First Commissioner and Chairman of the Board

Mr Roger M F Bright, MA (Cantab) Second Commissioner and Chief Executive and

Accounting Officer; Deputy Chairman of the Board

Sir Donald Curry, KB, CBE, FRAgS

Mr Hugh Duberley, CBE, DL

Mr Martin Moore, MRICS

Miss Dinah Nichols, CB

Mr Ronald Spinney, CBE, FRICS

Ms Jenefer Greenwood, BSc (Hons), FRICS

The activities covered by this Resource Account are undertaken by staff employed by The Crown Estate White Paper Account, which falls outside the Resource Accounting boundary. These matters are, therefore, the responsibility of The Crown Estate White Paper Account and are included in The Crown Estate Annual Report and Financial Statements for 2005-06.

5 Remuneration Report

The Remuneration Report can be found in The Crown Estate Annual Report and Financial Statements.

6 Public Interest

6.1 Employment of disabled persons

The activities covered by this Resource Account are undertaken by staff employed by The Crown Estate. These matters are, therefore, the responsibility of The Crown Estate White Paper Account and are included in The Crown Estate Annual Report and Financial Statements for 2005-06.

6.2 Equal opportunities policy

The activities covered by this Resource Account are undertaken by staff employed by The Crown Estate. These matters are, therefore, the responsibility of The Crown Estate White Paper Account and are included in The Crown Estate Annual Report and Financial Statements for 2005-06.

6.3 Payment of suppliers

The Crown Estate's payment policy is to pay all suppliers within 30 days of receipt of a correctly documented invoice, or on completion of service where a fee is recoverable from a third party, or according to contract where a shorter payment period is agreed. During the year The Crown Estate paid 74 per cent of invoices from suppliers within this period. This percentage includes invoices under dispute and amounts recoverable from third parties. On average, invoices from suppliers are paid within 30 days of receipt. The Crown Estate observes the principles of the "Better Payment Practice Code".

6.4 Charitable donations

There were no charitable donations from the Resource Account during 2005-06.

6.5 Auditors

The accounts of the Crown Estate are audited by the Comptroller and Auditor General.

6.6 Statement on Disclosure of Relevant Audit Information to the entity's Auditors

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditor is unaware; and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

6.7 Preparation

The accounts of the Crown Estate are prepared in accordance with the Financial Reporting Manual.

Roger Bright
Accounting Officer

14 JUNE 2006

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, The Crown Estate is required to prepare Resource Accounts for each financial year, in conformity with a Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by The Crown Estate during the year in pursuance of Resource funded activities.

The Resource Accounts are prepared on an accruals basis and must give a true and fair view of the Resource funded activities of The Crown Estate, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

HM Treasury has appointed the Second Commissioner as principal Accounting Officer for The Crown Estate with overall responsibility for preparing The Crown Estate's Resource Accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the principal Accounting Officer is required to comply with the *Financial Reporting Manual* prepared by HM Treasury, and in particular to:

- a. observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- b. make judgements and estimates on a reasonable basis;
- c. state whether applicable accounting standards, as set out in the *Financial Reporting Manual*, have been followed, and disclose and explain any material departures in the accounts; and
- d. prepare the accounts on a going-concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the department's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in *Government Accounting*.

Statement on internal control

The purpose of the system of internal control

The system of internal control is based on an ongoing process designed to; identify and prioritise the risks which threaten the achievement of The Crown Estate's policies, aims and objectives, as set out in The Crown Estate Act 1961; to evaluate the likelihood of those risks being realised and their impact should they be realised; and to manage them efficiently, effectively and economically.

It is designed to manage risk down to an acceptable level rather than to eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control has been in place in The Crown Estate for the year ended 31 March 2006 and up to the date of approval of the annual report and financial statements, and accords with Treasury guidance.

Capacity to handle risk

The Main Board, Audit Committee, Chief Executive and Management Board provide leadership in risk management within The Crown Estate. The Management Board reviews risk as part of the on-going business planning and control cycle and its members are 'risk owners' for strategic risks, as well as for the risks that relate to those functions, projects and change programmes that they directly manage.

During 2005/06, a number of developments have been made to The Crown Estate's internal control environment:

- Further embedding of the risk framework throughout the organisation.
- Project risk management has been fully incorporated into The Crown Estate risk framework with the Project Monitoring Committee now reviewing all major projects within the Crown Estate project portfolio from a risk perspective.
- Introduction of a Cross Cutting Committee that reviews risks and opportunities has been extended to include a representative of the heads of each business unit to ensure greater alignment of business units to The Crown Estate strategy.
- During 2005/06 formal risk management awareness sessions took place for the benefit of all staff at The Crown Estate.

Risk management is embedded within all key processes of The Crown Estate, with which all staff are familiarised during induction processes and via 'on the job' training and awareness. Project and business managers received ongoing training on risk management during 2005/06.

The Crown Estate's risk management policy and guidelines are held within its intranet, which is accessible to all staff. The risk management procedures include appropriate metrics designed to provide both support to staff in the tasks in which they are involved and consistency of results across all departments. The Crown Estate's Risk Manager, the Director of Finance and Information Systems, is responsible for the implementation, co-ordination and monitoring of the risk management process across The Crown Estate and administers the strategic risk register.

The risk and control framework

The Crown Estate's risk framework, policy and processes are consistent with the best practices as defined in the Office of Government Commerce's Management of Risk (M_o_R): Guidance for Practitioners and with the contents of Government Accounting Chapter 21. The framework adopts the strategic, programmes, projects & operational model contained within this guidance and aligns the guidance with The Crown Estate corporate planning cycle that is well developed and embedded.

Strategic risks and their assessment are the responsibility of the Management Board. Programme and project risks are assessed in a hierarchy with the Project Monitoring Committee reviewing major projects and their risks within the overall portfolio every quarter and individual project managers managing all project risks on an operational basis. This tiered structure supports The Crown Estate in identifying and managing trends across the projects and also to provide further assurance that risks are being managed in a pragmatic and efficient manner. Risks are discussed, at a minimum, on a quarterly basis at departmental team meetings or similar body. The risk manager and the central risk function assist in the facilitation of this process with the support of external consultants.

Strategic red risks are reviewed by the Management Board on a quarterly basis, by exception. The Cross Cutting Committee review all amber risks to identify interrelated and aggregated risks. Furthermore this body has appropriate delegated authority to manage these amber risks to allow the Management Board to fully focus on The Crown Estates key risks. The Risk Manager reviews departmental risks to identify links between departments and projects where the impact of one or more risks could affect others. Serious departmental risks are escalated as and when necessary firstly to the Cross Cutting Committee and if necessary to the Management Board, for consideration for inclusion onto the strategic risk register.

Risk registers are held centrally in the Intranet for all departments and their projects. Risk reporting, based around internal control statements (ICSs), is now an embedded and standard management process that provides additional assurance that risks are being actively managed across the whole of the organisation.

Risk appetites and tolerances are assessed and delegated by Crown Estate management, reflecting experience and past history of effective risk management. Impact metrics and regular monitoring and review ensure that delegated approval limits are consistently applied throughout the business.

Review of effectiveness

The Audit Committee is responsible for reviewing the effectiveness of the system of internal control. It is informed by the work of the internal auditors, the executive managers (who have responsibility for the development and maintenance of the internal control framework) external consultants and NAO, by way of comments contained in their management letter.

During 2005/06 two audits were conducted on the risk management process' by The Crown Estates Internal Audit Department and by external risk advisers. The findings of these audits were comparable with one another and they were reported together to the Audit Committee in November 2005.

The Audit Committee have reviewed the effectiveness of the system of internal control. A plan to ensure continuous improvement of the system is in place. This plan covers the coming financial year and will conclude with a further healthcheck prior to the issue of the next statement of Internal Control.

Significant internal control problems

For the financial year 2005/06, the Internal Audit Assurance Report shows that there are some internal control weaknesses in the financial systems and processes but there is evidence that these are being addressed.

Roger Bright
Accounting Officer

14 JUNE 2006

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 9 to 16 for the year ended 31 March 2006 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the Statement of Operating Costs by Departmental Aim and Objectives and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and Auditor

The Accounting Officer is responsible for preparing the Annual Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Financial Statements and the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if The Crown Estate has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 5 to 6 reflects the Department's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to The Crown Estate's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of The Crown Estate

Resource Accounts affairs as at 31 March 2006 and the net cash requirement, net resource outturn, resources applied to objectives, recognised gains and losses and cashflows for the year then ended;

- the financial statements have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

21 June 2006

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Parliamentary Supply

Summary of resource outturn for the year ended 31 March 2006

| | 2005-06 | | | | | | Net Total outturn compared with Estimate: saving/ (excess) £'000 | 2004-05 Prior year outturn £'000 |
|--------------------------------------|-------------------------------|-----------------|--------------------|-------------------------------|-----------------|--------------------|---|--|
| | Estimate | | | Outturn | | | | |
| | Gross Expenditure £'000 | A in A £'000 | Net Total £'000 | Gross Expenditure £'000 | A in A £'000 | Net Total £'000 | | |
| *Request for resources 1 (Note 4) | 2,149 | - | 2,149 | 2,149 | - | 2,149 | - | 2,032 |
| Total resources | 2,149 | - | 2,149 | 2,149 | - | 2,149 | - | 2,032 |
| Net cash requirement | 2,141 | - | 2,141 | 2,141 | - | 2,141 | - | 2,024 |

* To maintain and enhance the value of The Crown Estate and the return obtained from it.

Reconciliation of resources to cash requirements

| | Note | Estimate £'000 | Outturn £'000 | Net total outturn compared with estimate: saving/(excess) £'000 |
|---|------|-------------------|------------------|--|
| Net total resources | | 2,149 | 2,149 | - |
| Acquisition of fixed assets | | - | - | - |
| Investments | | - | - | - |
| Non-operating A in A | | - | - | - |
| Accruals adjustments | | - | - | - |
| Non-cash items | 2 | (8) | (8) | - |
| Changes in working capital other than cash | 5 | - | - | - |
| Changes in creditors falling due after more than one year | | - | - | - |
| Use of provision | | - | - | - |
| Net cash requirement (Schedule 4) | | 2,141 | 2,141 | - |

Summary of income payable to the Consolidated Fund

| | Forecast 2005-06 | | Outturn 2005-06 | |
|---|------------------|----------|-----------------|----------|
| | Income | Receipts | Income | Receipts |
| | £'000 | £'000 | £'000 | £'000 |
| Operating income and receipts – excess A in A | - | - | - | - |
| Non-operating income and receipts – excess A in A | - | - | - | - |
| Subtotal | - | - | - | - |
| Other operating income and receipts not classified as A in A | - | - | - | - |
| Other non-operating income and receipts not classified as A in A | - | - | - | - |
| Other amounts collectable on behalf of the Consolidated Fund | - | - | - | - |
| Total | - | - | - | - |

* The notes on pages 14 to 16 forms part of these accounts.

Operating Cost Statement for the year ended 31 March 2006

| | Note | 2005-06 £'000 | 2004-05 £'000 |
|-----------------------------------|------|------------------|------------------|
| Administration costs | | | |
| Staff costs | | - | - |
| Other administration costs | 2 | 8 | 8 |
| Gross administration costs | | 8 | 8 |
| Operating income | | - | - |
| Net administration costs | | 8 | 8 |
| Programme costs | | | |
| Requests for resources 1: | | 2,141 | 2,024 |
| Less: income | | - | - |
| Net programme cost | 3 | 2,141 | 2,024 |
| Net operating cost | | 2,149 | 2,032 |
| Net resource outturn | | 2,149 | 2,032 |

All expenditure is derived from continuing activities.

Statement of recognised gains and losses for the year ended 31 March 2006

There were no gains or losses other than net operating cost.

* The notes on pages 14 to 16 forms part of these accounts.

Balance Sheet at 31 March 2006

| | Note | 2005-06 £'000 | 2004-05 £'000 |
|--|------|------------------|------------------|
| Current assets | | | |
| Debtors | 6 | - | - |
| Cash at bank and in hand | 8 | - | - |
| Creditors (amounts falling due within one year) | 7 | - | - |
| Net current assets | | - | - |
| Total assets less current liabilities | | - | - |
| Taxpayers' equity | | | |
| General fund | 9 | - | - |

Roger Bright
Accounting Officer

14 JUNE 2006

* The notes on pages 14 to 16 forms part of these accounts.

Cash Flow Statement for the year ended 31 March 2006

| | <u>2005-06</u> | <u>2004-05</u> |
|--|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Net cash outflow from operating activities | (2,141) | (2,024) |
| Payments of amounts due to the Consolidated Fund | - | - |
| Financing from the Consolidated Fund | 2,141 | 2,024 |
| Increase in cash in the period | <u>-</u> | <u>-</u> |

Reconciliation of operating cost to operating cash flows

| | <u>Note</u> | <u>£'000</u> | <u>£'000</u> |
|---|-------------|--------------|--------------|
| Net operating cost | | 2,149 | 2,032 |
| Adjustment for non-cash transactions | 2 | (8) | (8) |
| Adjustment for movements in working capital other than cash | 5 | - | - |
| Net cash outflow from operating activities | | <u>2,141</u> | <u>2,024</u> |

Analysis of financing and reconciliation to the net cash requirement

| | <u>£'000</u> | <u>£'000</u> |
|--|--------------|--------------|
| From the Consolidated Fund (supply) – current year | 2,141 | 2,024 |
| Increase in cash | - | - |
| Net cash requirement (Schedule 1) | <u>2,141</u> | <u>2,024</u> |

Amount of grant actually issued to support the net cash requirement = £2,141,000.00

* The notes on pages 14 to 16 forms part of these accounts.

Statement of Operating Costs by Department Aim and Objectives for the year ended 31 March 2006

| | Gross | 2005-06 Income | Net | Gross | 2004-05 Income | Net |
|---|--------------|-------------------|--------------|--------------|-------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Aims: To maintain and enhance the value of The Crown Estate and the return obtained from it. | | | | | | |
| 1. The salaries of the Crown Estate Commissioners, the expense of their office and associated non cash items. | 2,149 | - | 2,149 | 2,032 | - | 2,032 |
| Net operating cost | 2,149 | - | 2,149 | 2,032 | - | 2,032 |

* The notes on pages 14 to 16 forms part of these accounts.

Notes to the accounts for the year ended 31 March 2006

1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2005-06 *Government Financial Reporting Manual* (FReM) issued by the Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

In addition to the primary statements prepared under UK GAAP, the FReM also requires the Department to prepare two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The *Statement of Operating Cost by Departmental Aim and Objectives* and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of The Crown Estate for the purpose of giving a true and fair view has been selected. The Crown Estate accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

The accounts are prepared under the historical cost convention. The Crown Estate Resource Account neither holds nor expects to hold fixed assets or stock requiring revaluation or depreciation.

1.2 Basis of consolidation

These accounts are for the Resource Account activities of The Crown Estate. Only the resource funded activities of The Crown Estate are reported in this account. The main activities of The Crown Estate are subject to a different financial accounting framework and are published separately as a White Paper Account.

1.3 Operating income

The Crown Estate Resource Account has no operating income and relies solely on Resource Account funding.

1.4 Administration and programme expenditure

The operating cost statement is analysed between administration and programme costs. Administration costs reflect the cost of running The Crown Estate as defined under the administration cost control regime. Programme costs reflect non-administration costs and comprise the transfer of funding to the White Paper Account for the salaries of The Crown Estate Commissioners and the expenses of their office.

1.5 Accruals relationship

The Resource Account transfers funding to the White Paper Account for the salaries of the Commissioners and the cost of their office and any other specific resource funded activities approved in resource estimates. The Resource Account pays cash to the White Paper Account as the expenditure is recognised and therefore neither owes the White Paper Account any sums at the year end nor is owed any such sums. Since its only transactions are with the White Paper Account it has no debtors or creditors at the year end. All amounts owed to or from third parties in respect of resource funded activities are accounted for in the White Paper Account.

This policy clarification better reflects the accounting arrangements between the Resource Account and the White Paper Account.

1.6 Financial instruments

Cash is the only financial instrument held by the Resource Account.

The Crown Estate Resource Account has no borrowings and relies primarily on resource funding for its cash requirements, and is therefore not exposed to liquidity risks. It has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

2 Other administration costs

| | <u>2005-06</u> | <u>2004-05</u> |
|----------------------------------|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Non cash items: | | |
| Auditors remuneration & expenses | 8 | 8 |
| | <u>8</u> | <u>8</u> |

There is no remuneration for non audit work.

3 Net programme costs

| | <u>2005-06</u> | <u>2004-05</u> |
|--|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Current grants and other current expenditure | 2,141 | 2,024 |
| Less: programme income | - | - |
| | <u>2,141</u> | <u>2,024</u> |

4 Analysis of net resource outturn by function and reconciliation to Operating Cost Statement 2005-06

| | <u>Admin</u> | <u>Other current</u> | <u>Grant</u> | <u>Gross resource expenditure</u> | <u>A in A</u> | <u>Net Total</u> | <u>Estimate</u> | <u>Net Total outturn compared with Estimate</u> |
|---|--------------|----------------------|--------------|-----------------------------------|---------------|------------------|-----------------|---|
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> |
| *Request for resources 1 | - | 2,149 | - | 2,149 | - | 2,149 | 2,149 | - |
| Total | - | 2,149 | - | 2,149 | - | 2,149 | 2,149 | - |
| Resource outturn | - | - | - | 2,149 | - | 2,149 | 2,149 | - |
| Reconciliation to Operating Cost Statement | | | | | | | | |
| Gross operating expenditure | - | - | - | 2,149 | - | - | - | - |
| Operating income | - | - | - | - | - | - | - | - |
| Net operating cost | - | - | - | - | - | 2,149 | - | - |

* To maintain and enhance the value of The Crown Estate and the return obtained from it.

5 Movements in working capital other than cash

| | <u>2005-06</u> | <u>2004-05</u> |
|----------------------------------|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Increase/(decrease) in debtors | - | - |
| (Increase)/decrease in creditors | - | - |
| Change in working capital | <u>-</u> | <u>-</u> |

6 Debtors

The Crown Estate Resource Account has no debtors.

7 Creditors

The Crown Estate Resource Account has no creditors.

8 Cash at bank and in hand

| | <u>2005-06</u> | <u>2004-05</u> |
|---------------------|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Balance at 1 April | - | - |
| Net cash inflow | - | - |
| Balance at 31 March | <u>-</u> | <u>-</u> |

9 Reconciliation of net operating cost to changes in general fund

| | <u>2005-06</u> | <u>2004-05</u> |
|--|----------------|----------------|
| | <u>£'000</u> | <u>£'000</u> |
| Net operating cost for the year (Schedule 2) | 2,149 | 2,032 |
| Net Parliamentary funding | (2,141) | (2,024) |
| Surplus payable to Consolidated Fund | - | - |
| Non cash charges: | | |
| Auditor's remuneration | (8) | (8) |
| Net increase in General Fund | <u>-</u> | <u>-</u> |
| General fund at 1 April 2005 | - | - |
| General fund at 31 March 2006 (Schedule 3) | <u>-</u> | <u>-</u> |

10 Contingent liabilities

There were no contingent liabilities at 31 March 2006.

11 Related party transactions

The objective of the Crown Estate Resource Account is to make transfers to the Crown Estate for the salaries of the Crown Estate Commissioners and the expense of their office. Accordingly, all of the Crown Estate Resource Account transactions are with the Crown Estate and therefore the Crown Estate is regarded as a related party.

Neither the Accounting Officer nor any other related parties have undertaken any material transaction with The Crown Estate Resource Account during the year.

12 Actual outturn – resource and cash**12.1 Actual outturn – resources:**

Request for Resources 1: Actual amount net resource outturn £2,149,000.00

12.2 Actual outturn – cash:

Net cash requirement: Outturn net requirement £2,141,000.00

Actual receipts were £0.00

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